



## Corporation of the Township of Brock

### Staff Report to the Mayor and Members of Council

**From:** Crystal Doucette  
**Position:** Property Tax Collector/Manager of Accounting  
**Title / Subject:** Delegation Bylaw  
**Date of Report:** June 19, 2023  
**Date of Meeting:** June 26, 2023  
**Report No:** 2023-FI-016

#### 1.0 Issue / Origin

A recent change to the Municipal Act, allows Council to provide authority to the Treasurer or their Designate to enter into and authorize extension agreements for owners, spouse of the owner, a mortgagee or a tenant in occupation of the land where a tax arrears certificate has been registered on title but has not yet passed the one-year expiry period.

#### 2.0 Background

As per section 373(1) of the Municipal Act, once a tax roll reaches two (2) years arrears plus the current year, the Township of Brock can have the property registered for tax sale with a Tax Arrears Certificate facilitated by RealTax Inc. The owner of the property has one (1) year from the registration date to pay the cancellation price (full balance of the tax roll including any legal disbursements and penalties/interest). This one year allows for the owner to make the payment in full and to allow sufficient time for all interested parties registered on title to be notified. Once a property has an arrears certificate registered no partial payments can be made (per the Municipal Act) on the account without entering into an extension agreement to do so.

We currently have property that was registered with an Arrears Certificate on March 8, 2023. The property owner has since been in contact with our staff and would like to make a lump sum payment and continue with monthly payments for 7 months which will bring the account up to date (including all penalties/interest). In order to permit this payment agreement, the Treasurer or Designate would need to enter into and authorize an extension agreement with the owner.

### **3.0 Analysis**

If an extension agreement is not entered into between the Township and property owner, the property owner has one year after tax sale registration, to pay their balance in full.

If an extension agreement with entered into between the Township and the property owner, the two parties are permitted to negotiate an appropriate repayment schedule. The Township does have the authority to deny an extension agreement if it is felt that an extension is not warranted, however, it is the Township's intention to work with the property owners whenever possible to rectify arrears situations.

If approved, the current extension request received will allow the property owner to make payments on the account over the period from July 2023 to January 2024. By the final payment in January, the full cancellation price (including penalty and interest) will have been made (including 2023 taxes) and the current will be current. If for some reason the owner should default on any part of the extension agreement, the agreement will be terminated and the account will return to the tax sale process at the stage it was when the agreement was entered into.

### **4.0 Related Policies / Procedures**

Section 378 (1) Extension Agreements – A municipality may, after the registration of the tax arrears certificate and before the expiry of the one-year period mentioned in subsection 379 (1), enter into an extension agreement, extending the period of time in which the cancellation price is to be paid, with any of the following persons: owner of the land, the spouse of the owner, a mortgagee or a tenant in occupation of the land or any person the treasurer is satisfied has an interest in the land. 2017, c. 10, Sched. 1, s. 61 (1).

### **5.0 Financial / Budget Assessment**

Allowing for the Treasurer to enter into and authorize extension agreements with taxpayers allows for the department to proceed with payments promptly. This can be of savings to the taxpayer if their payments can be applied to the arrears sooner alleviating some of the penalty and interest. Further, assuming the payment plan is fully completed, this will eliminate the requirement for the Township to continue with the tax sale process.

### **6.0 Climate Change Impacts**

n/a

### **7.0 Communications**

n/a

### **8.0 Conclusion**

Staff recommend that Council authorize the attached by-law to allow the Treasurer or their Delegate the authority to negotiate, enter and execute extension agreements, when received, on behalf of the Township. This will permit the Treasurer to act on extension agreements promptly in the future should an opportunity present itself.

Further, staff recommend that Council authorize the Treasurer to enter into and authorize the current extension agreement received from a property owner as doing so will allow the property owner to make payments to bring the account to current by January 2024 and will permit cancellation of the tax sale process.

## **9.0 Recommendation**

BE IT RESOLVED THAT report 2023-FI-016 to delegate specific authority to the Treasurer/Deputy Treasurer, be received;

THAT Council permit the Treasurer to enter into an extension agreement with a property owner to allow for payments to be made on an arrears account over the next seven (7) months to bring the account to current; AND

THAT Council consider Bylaw #3201-2023 to designate authority to the Treasurer/Deputy Treasurer to enter into and authorized extension agreements on behalf of Council.